operating services due to non-availability of operational aircraft.

(b) and (c) A proposal to review the policy on domestic air transport services is under consideration of the Government.

Health Insurance Scheme For Senior Citizens

1881. DR. Y. LAKSHMI PRASAD:
DR. MOHAN BABU:
PROF. RAM KAPSE:

Will the Minister of HEALTH AND FAMILY WELFARE CIVIL AVIATION be pleased to state;

(a) whether Government propose to introduce a health insurance scheme for senior citizens to anable them to enjoy alife of fulfilment:

(b) if so, the details thereof; and

(c) if not, the reasons for not helping them grow old gracefully?

THE MINISTER OF HEALTH AND FAMILY WELFARE (SHRI SALEEM IQBAL SHERVANI) (a) to (c) Three Medical Insurance Schemes are already under implementation under the umbrella of the General Insurance Corporation as follows:

(i) *Mediclaim. Insurance Policy* is available for persons between the ages 5 and 75 years and the cover provides for reimbursement of medical expenses incurred towards hospitalisation/domicilary hospitalisation.

(ii) *Jan Arogya:* Primarily meant for largar segment of population who can not afford the high cost of medical treatment with coverage upto 70 years of age.

(iii) *Bhavishya Arogya:* Under the scheme a person pays a single premium or nominal annual premium during his earning years and get reimbursement of hospitalisation and domiciliary hospitalisation expenses from a future selected age between 55 and 60 years.

Guidelines for Licences to New District level Banks

1882. SHRI K. RAHMAN KHAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government have issued guidelines for giving licence to new district level banks as announced by him while presenting 1996-97 budget;

(b) if so, the conditions laid down for licensing such banks; and

(c) how many applications have been received so far, details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM (a) and (b) Reserve Bank of india (RBI) have issued guidelines for setting up of Local Area Banks in August 1996, to cater to the credit needs of the local people and to provide efficient and competitive financial intermedication services in their area of operation (which shall be a maximum of three geographically contiguous districts). The guidelines, *inter alia,* provide that such a bank shall be registered as a public limited company under the Companies Act, 1956 and would be licensed under the Banking Regulation Act, 1949. Further, it would be governed by the provisions of the Reserve Bank of India Act, 1934 an other relevant statutes. The minimum paid up capital for such a bank shall be Rs. 5 crore and the promoters contribution at least be Rs. 2 crore. Proposals having diversified share holdings will be preferred. The promoters of the bank may comprise individuals, corporate entities, trusts, and societies. The bank shall be subject to prudential norms and other policies laid down by RBI form time to time.

(c) RBI have reported that they have received 44 applications seeking licence for setting up of local area banks as on

November 26, 1996 as per State-wise details given below:

State	No of applications received
Andhra Pradesh	14
Goa	1
Gujarat	4
Haryana	1
Karnataka	2
Kerala	5
Maharashtra	4
Madhya Pradesh	1
National Capital Territory of Delhi	6
Tamil Nadu	2
Uttar Pradesh	4
TOTAL	44

Misuse of Value Based Advance Licence Scheme

1883. SHRI BHAGABAN MAJHI : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fac t that the Value based Advance Licence Schemes is being misused;

(b) if so, the details of the loss sustained by Government till date due to the misuse of the scheme;

(c) the measures adopted by Government to avoid the massive misuse of Value Based Advanced Licence Scheme; and

(d) the details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) Yes, Sir. Some cases of misuse of Value Based Advance Licence Scheme have been detected. As many cases are still at various stages of investigation/ adjudication, the net loss cannot be quantified.

(c) and (d) Various measures have been taken by the Government to plug the loopholes and to prevent misuse of these schemes. These measures, *inter alia*, include requiring the exporters to discharge their export obligation both in terms of value and quantity of export product under VABAL, modification of Sensitive List by placing some items in the said list which attract zero to 10% duty, and those which constitute upto 2% by weight or quantity in export product, imposition of Addle Customs duty on inputs imported under VABAL Scheme, explicitly providing for computation of CIF value of inputs with reference to their international prices. The procedure for verification of availment of MODVAT in respect of inputs used for manufacture of export product has also been streamlined.

Large Scale Loss of Shares of Indian Tobacco Company

1884. SHRI ASHOK MITRA: Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether Government's attention has been drawn to the report of large scale loss of shares of Indian Tobacco Company and diversion of funds to criminal elements through utilisation of these stolen documents;

(b) whether there is ground for suspecting that such a large scale pilferage and diversion of documents took place with the help of parties within the ITC; and

(c) the remedial action Government propose for the prevention of irregularities of this nature?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) The information is being collected and will be laid on the Table of the House.

Raids by Excise Departments on Companies of Modern Group

1885. DR. JAGANNATH MISHRA: Will the Minister of FINANCE be pleased to state:

(a) whether Central Excise Department has recently raided the